

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

May 5, 2015

CALL TO ORDER: Mayor Kim called the Regular Meeting of the La Palma City Council to order at 7:00 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE: La Palma Boy Scout Troop 650

INVOCATION: Children's Minister Zsalene Lovetere, La Palma Christian Center

ROLL CALL: Council and Commission Members

Council/Commission Members present: Mayor Pro Tem/Vice Chairperson Goedhart, Council/Commission Member Hwangbo, Mayor/Chairperson Kim, Council/Commission Member Shanahan, and Council/Commission Member Steggell

Council/Commission Members absent: None

City Officials present: Ellen Volmert, City Manager
Michelle Molko, Assistant City Attorney
Michael Belknap, Community Services Director
Douglas Dumhart, Community Development Director
Laurie Murray, Administrative Services Director/City Clerk
Eric Nuñez, Police Chief
James Tsumura, Water Supervisor
Cindy Robinson, Community Services Supervisor
Kimberly Kenney, Minutes Clerk

PRESENTATIONS

1. Mayor Kim presented a proclamation to Orange County Fire Authority Division Chief Dave Steffen in recognition of Wildfire Awareness Week.

2. La Palma Police Chief Nuñez gave a brief report on recent Police activity and Mayor Kim presented a proclamation to Chief Nunez, Captain Engen, Sergeant Morales, and Sergeant Wright in recognition of Peace Officers' Memorial Day.

ORAL COMMUNICATIONS

Sharon Gutjahr, a La Palma resident, addressed the City Council regarding the proposed Ozawa Property development; noted her concerns for traffic safety; and her opposition to, and the potential decreased property values with, removing the cul-de-sac.

RECESS THE CITY COUNCIL AND CONVENE AS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION AT 7:20 P.M.

Administrative Services Director/City Clerk Murray stated, "The City Council will now recess and convene as the Successor Agency to the Dissolved Community Development Commission of the City La Palma, and then recess and convene as the Planning Commission. Members of the La Palma City Council receive no compensation or stipend as a result of convening or participating in either the Successor Agency or Planning Commission meetings, or otherwise as serving as members of the Successor Agency or Planning Commission."

CONSENT CALENDAR

- A. Approval of Register of Demands

Resolution No. SA 2015-05 approving the Successor Agency Registers of Demands for May 5, 2015.

Council Member Shanahan made a motion to approve Consent Calendar Item A.

The motion was seconded by Mayor Pro Tem Goedhart and carried on the following vote:

AYES: Mayor Pro Tem Goedhart, Council Member Hwangbo, Mayor Kim, Council Member Shanahan, and Council Member Steggell

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

RECESS THE CITY OF LA PALMA AS SUCCESSOR AGENCY TO THE DISSOLVED COMMUNITY DEVELOPMENT COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 7:21 P.M.

CONSENT CALENDAR

None Scheduled.

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

None Scheduled.

ADJOURN THE PLANNING COMMISSION AND RECONVENE AS THE CITY COUNCIL AT 7:22 P.M.

CONSENT CALENDAR

1. Waive the Reading of All Ordinances
Waive the reading of all Ordinances in their entirety and read by title only.
2. Approval of Register of Demands
Resolution No. 2015-08 approving the Register of Demands for May 5, 2015.

Council Member Shanahan made a motion to approve Consent Calendar Items 1 and 2.

The motion was seconded by Council Member Hwangbo and carried on the following vote:

AYES: Mayor Pro Tem Goedhart, Council Member Hwangbo, Mayor Kim, Council Member Shanahan, and Council Member Steggell

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

3. Professional Services Agreement to Armstrong & Walker Landscape Architecture for the Median Island Landscape Evaluation and Preparation of Design Concepts

Award a Professional Services Agreement in the amount of \$42,550 to Armstrong & Walker Landscape Architects to complete the Median Island Landscape Evaluation and Preparation of Design Concepts.

Public Comment:

Jim Johnson, a La Palma resident, addressed the City Council regarding the City's budget deficit; expressed concern for spending \$42,000 on designs; noted his opposition to the item; and suggested alternative measures to address the drought.

Kyle McCune, a La Palma resident, addressed the City Council regarding his opposition to the item; support for having the City reach out to local residents who could develop designs or assist in this process; and having public works replace the existing landscape with artificial turf.

Mayor Pro Tem Goedhart requested to have the Item pulled in order to clarify if the reason for this item was to allow eligibility for grant opportunities and whether redesigning the median is eligible for Environmental Clean-up Act funds.

Community Services Director Belknap responded that medians were just made eligible this year for Environmental Clean-up funds and Measure M2 funding and that medians will be considered as one component of the projects that will be under consideration.

Discussion ensued regarding not being aware of how competitive La Palma's application will be; that the previous Park Master Plan project implied eligibility for a Park grant which never came to fruition; that the current plan is to

let the median grass die and scalp down to the base; that Staff is looking at alternatives to save the existing mature trees in the medians; that the City Council wants to be sure that this would be a good investment before spending the money; that the City's arborist recommended not scalping the tree roots for fear of losing the trees; recommendation to continue this item in order to conduct more research on the qualification for grant fund opportunities; that Staff will be meeting with the Grant Consultant tomorrow morning to discuss the matter further; that the design specifications are required in order to submit for a grant; that Caltrans can no longer plant trees in the right-of-way; that there is no guarantee that the City would qualify for the grant; support to find a way to apply for the grant without spending the money for a consultant; that this money is for a complete redesign of the City's medians; that artificial turf is expensive; that this project will give the City Council an idea of how they want the medians to look over the next twenty years; support for having a community design contest; support to be more creative in finding a solution; that residents cannot do the design work as it becomes a liability issue; and that the cost includes three designs for consideration.

Mayor Pro Tem Goedhart made a motion to continue the item and direct Staff to conduct research on the grant eligibility, to change the approach with the consultant by simplifying the process with fewer designs, and to return with more information after the research has concluded.

The motion was seconded by Council Member Shanahan and carried on the following vote:

AYES: Mayor Pro Tem Goedhart, Council Member Hwangbo, Mayor Kim, Council Member Shanahan, and Council Member Steggell

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

4. Adoption of an Ordinance Amending City of La Palma Municipal Code Chapter 44 (Zoning Code) for Purposes of a Comprehensive Update of Chapter 44 (Zoning Code).

Community Development Director Dumhart gave the Staff Report.

Order the second reading and adopt Ordinance 2015-01 amending City of La Palma Municipal Code Chapter 44 (Zoning Code) for purposes of a comprehensive update of Chapter 44 (Zoning Code).

Mayor Pro Tem Goedhart made a motion to adopt Ordinance No. 2015-01 amending City of La Palma Municipal Code Chapter 44 (Zoning Code) for Purposes of a Comprehensive Update of Chapter 44 (Zoning Code).

The motion was seconded by Council Member Steggell and carried on the following vote:

AYES: Mayor Pro Tem Goedhart, Mayor Kim, Council Member Shanahan, and Council Member Steggell

NOES: Council Member Hwangbo

5. Recommendation to the City Council to Declare a Stage Two Water Alert and Approve Enforcement of State Emergency Regulations

Community Services Director Belknap introduced Water Supervisor Tsumura who gave the Staff Report.

Discussion ensued regarding dealing with the drought becoming a normal way of life for Californians; support for the Stage II Water declaration; that educating the public is a priority; accommodation of pool cover requirements as the next water mandate will make it a law; that pool covers can be relatively inexpensive; that the City does not have to change anything in the Municipal Code for the water mandates because it was incorporated in the Water Conservation Ordinance 2014-02; the length of time for landscape watering; that the State issues the watering schedule; that Orange County created the model water conservation ordinance; opposition to car washing times if the hose has a shut-off valve; is there any way to consider different options; the challenge the City has to enforce water restrictions and pool covers; use of the City's website to communicate water mandates; that the State is planning to make further water reduction requirements; that direct notification could lead to a higher compliance rate for pool covers; that Staff handed out 40 violation notices last month and had to issue its very first citation; suggestion to hire an additional employee through the water fund to do enforcement; addressing the turf in the Southern California Edison right-of-way; that Staff supports maintaining as many City trees as we can; that the City does not know how many pools there are in the City; that there is no current rebate for pool covers; that the Orange County Vector Control District has aerial photos they could share to get mapping for pools and accurate data; that there are no current rebates for pool covers; that the City could use the water fund to allocate assistance to homeowners to help the public get pool covers; and that

there is a separate software module for the new water meters that would allow the public to access their records, but there is a significant cost involved.

Assistant City Attorney Molko clarified that this is not the adoption of an ordinance because Ordinance 2014-02 is already in the City's Municipal Code, and identifies different stages of water alerts; that the City Council has already declared a Stage 1 Water Alert, and now the City Council wishes to proceed with a declaration of a Stage 2 Water Alert; and that all the provisions and requirements of Stage 2 can be found in the adopted Ordinance of the Municipal Code.

Further discussion ensued regarding requesting the Ordinance come back before the City Council to change requirements in each one of the water stages in the previously adopted Ordinance at a future meeting; that the City Council can delay the declaration until changes to those water stages are made; that Staff recommends approving the Stage 2 at tonight's meeting because the State has already made it clear that more water restrictions are pending and the City may have to declare further water restrictions very soon; and that Assistant City Attorney Molko reminded the City Council of the process of two public hearings to adopt an ordinance or make changes to the Municipal Code and that it takes 30 days after it is adopted for it to go into effect.

- a) Declare a Stage Two Water Alert throughout the entire City of La Palma water service boundaries; and
- b) Approve enforcement of State Emergency Regulations.

Council Member Hwangbo made a motion to declare a Stage Two Water Alert throughout the entire City of La Palma water service boundaries and approve enforcement of State Emergency Regulations. The motion was seconded by Council Member Shanahan.

Mayor Pro Tem Goedhart requested to make a friendly amendment directing Staff to bring back the Ordinance for Council Review at the first meeting in June to make changes to the Water declaration stage requirements. The friendly amendment was accepted by the maker and seconder of the motion.

The motion carried on the following vote:

AYES: Mayor Pro Tem Goedhart, Council Member Hwangbo, Mayor Kim, Council Member Shanahan, and Council Member Steggell

NOES: None

6. Reconsideration of Central Park Playground Replacement

Community Services Supervisor Cindy Robinson gave the Staff Report.

Council Comments and Questions:

Discussion ensued regarding reconsideration of the item since it has the updated information requested by Council; that the scope of the project has been changed and cost reduced; and support for the project as it is a good investment.

- a) Approve the replacement of the aging Central Park playground equipment in its current locations;
- b) Approve the purchase of playground equipment with Coast Recreation in the amount of \$117,328.49;
- c) Approve an Agreement with Tot Lot Pros to install the playground equipment in the amount of \$53,900; and
- d) Approve an Agreement with Robertson Surfacing to install unitary rubberized surfacing in the amount of \$64,144.

Mayor Pro Tem Goedhart made a motion to approve the replacement of the aging Central Park playground equipment in its current location; approve the purchase of the playground equipment with Coast Recreation in the amount of \$117,328.49; approve the agreement with tot Lot Pros to install the playground equipment in the amount of \$53,900; and approve an agreement with Robertson Surfacing to install unitary rubberized surfacing in the amount of \$64,144.

Discussion ensued regarding the motion needing to include an allocation of Park-in-Lieu funds of \$62,162; a request to amend the motion to include that; and clarification that the motion be amended to include the allocation of all Park-in-Lieu funds that are available by the end of the fiscal year instead of a exact dollar amount since the City does not know what will be made available.

Mayor Pro Tem Goedhart made an amendment to the original motion to approve the replacement of the aging Central Park playground equipment in its current location; approve the purchase of the playground equipment with Coast Recreation in the amount of \$117,328.49; approve the agreement with tot Lot Pros to install the playground equipment in the amount of \$53,900; approve an agreement with Robertson Surfacing to install unitary rubberized surfacing in the amount of \$64,144; and appropriate all Park-in-Lieu funds that are available by the end of Fiscal Year 2014-15 towards the project.

The motion was seconded by Council Member Shanahan and carried on the following vote:

AYES: Mayor Pro Tem Goedhart, Council Member Hwangbo, Mayor Kim, Council Member Shanahan, and Council Member Steggell

NOES: None

Mayor Kim requested to take a short recess at 8:34 p.m.

Mayor Kim reconvened the City Council in Open Session and reconvened the City of La Palma as Successor Agency to the Dissolved Community Development Commission for a joint meeting with the City Council at 8:40 p.m. with all members present.

7. Presentation of Proposed Fiscal Year 2015-16 Budget

City Manager Volmert introduced the item, and gave a brief report on the schedule of budget meetings in preparation for adoption of the FY 2015-16 Budget.

Administrative Services Director Murray gave the Staff Report.

Public Comment:

Keith Nelson, a La Palma resident, addressed the City Council regarding not being afraid to make necessary cuts in fear of upsetting residents; support for expenses to be brought down; and asked for justification of increasing parking violation fines.

City Manager Volmert responded that the purpose of parking fines is to bring compliance; that Staff had not looked at fines in years; and it is hopeful that the City will receive increased fine revenue.

Chief Nuñez responded that parking fines pay for enforcement personnel, the traffic court fees, and citation administration fees; that the City's parking fines did not recover the cost of processing a citation; and that Staff looked at what other agencies charge and proposed an average of Orange County agencies.

Mr. Nelson added whether the City expects enhanced compliance that could impact the Budget; support for considering a joint service agreement with other agencies as a cost savings measure; and support for creating a citizen committee to review the City's financial situation.

Mayor Kim responded that there is a proposal in the future to have a Citizen Committee to review the City's financials.

Lisa Walker, a La Palma resident, addressed the City Council regarding citizens not being aware of the impact of the City's proposed budget cuts; that if the City Council cuts too much, La Palma will not exist; and suggested to have the City Council's budgetary considerations be made known to the public.

Robert Carruth, a La Palma resident, addressed the City Council regarding the parallels in the difficulty with the water drought and proposed budgetary cuts; that budgetary cuts are difficult and uncomfortable; that retiree pensions are increasing the deficit; opposition to a tax increase if the funds contribute to retiree pensions or Workers Compensation; and support for creating a Citizen Committee to review the City's financials.

Paul Walker, a La Palma resident, addressed the City Council regarding support for imposing a cost recovery fee for Fit "N" Fun prior to cancelling the program altogether; support for the creation of a Citizen Committee to review the City's financials; and support for increased fees, but opposition to increased or new taxes.

Administration Services Director Murray announced that the upcoming Budget Work Session on May 11 will be relocated to the Council Chambers in anticipation of increased attendance.

Community Services Belknap responded to the public comment regarding the Fit "N" Fun program and noted that Staff previously researched the matter and it would cost the user approximately \$400 per child for full cost recovery and noted that participation would decrease significantly as most current participants already pay for afterschool child care.

Provide direction for additional materials or information needed for the Budget Workshop scheduled for May 11.

Discussion ensued regarding the urgency to communicate to the Community regarding having their involvement in the budget process; that the City needs to deal with the short term issue to balance the budget; support for using a smart phone application for extra communication outreach; that the proposed cuts are extremely difficult to approve; that the City needs to look at correcting the long term budget permanently; support for taking every consideration including the possibilities of contracting law enforcement and recreation services; other factors for the current deficit being CalPERS changing their policy and formula, the Hospital moving to nonprofit status, and others that the City has no control of; that the City needs a combination of remedies to correct its economic status; appreciation for Management Staff taking a 5% pay cut in FY 2015-16; that Council direction was to reduce expenditures by \$250,000; investigating

operational expenses; that Mayor Pro Tem Goedhart cannot support Staff's proposal without seeing actual reductions; that the City's financial sustainability decreases dramatically after the next three years; that 20% in Staff reductions is still not enough; support for a Citizen Committee to review the City's financials; the need to explore contracting law enforcement services; researching a tax consideration; that the proposed reductions lead to a deterioration of operations, services, and infrastructure; that the City's budget cannot be balanced on the backs of employees or businesses; that action will need to be taken in November 2016 to fix the financial problem once and for all; that Council Member Hwangbo is not prepared to make any decisions until more discussion and considerations can be had; that Staff is planning to create a direct mail financial newsletter and immediate press release regarding the current fiscal condition and proposed budgetary cuts and recommendations; that Mayor Pro Tem Goedhart required that newsletter be reviewed by the City Council prior to its release; that Mayor Kim and Mayor Pro Tem Goedhart are ready to move forward with giving direction to Staff noting that final decisions will be made during the budget adoption; and that most of the Council is ready to give direction to Staff.

By consensus, the City Council approved the suspension of La Palma Days from the proposed Budget in preparation for the final FY 2015-16 Budget, with Council Member Shanahan abstaining.

Assistant City Attorney Molko noted that the votes being taken by the City Council are not direct formal action to make cuts or suspend programs, but rather direction to Staff in preparation of the FY 2015-16 Budget.

By consensus, the City Council unanimously approved the Park Hour Reduction of 2 hours each weekday from the proposed Budget in preparation for the final FY 2015-16 Budget.

By consensus, the City Council unanimously approved the elimination of Granicus Expansion from the proposed Budget in preparation for the final FY 2015-16 Budget.

Discussion ensued regarding the Records Clerk being reduced to part-time requiring the City to retain current dispatch services; the potential of contracting out dispatch services; and that if the Council decided to move forward with contracting out dispatch in the future, Staff would need to return to the City Council with a Records Clerk retention proposal.

By consensus, the City Council unanimously approved the elimination of the SCORE Workshops and reducing the Records Clerk position to Part Time from the proposed Budget in preparation for the final FY 2015-16 Budget.

Discussion ensued regarding the Workers Compensation payment; that the Workers Compensation retrospective payment will come from the One-Time

Projects fund; and that this would pay off the entire amount, eliminating the need for financing the obligation over 7 years and saving the 2% interest charge on the \$252,303.

By consensus, the City Council unanimously approved to make a Workers Compensation Retrospective Payment from One-Time Funds in the amount of \$252,303 in preparation for the final FY 2015-16 Budget.

Discussion ensued regarding the General Liability retrospective payment that is due this year; that the Insurance Fund is below \$1 million; that repayments will be made to that fund; that this is not what would be typically done, but a measure to close the deficit gap for the next three years and build the Insurance Fund balance back up after the three-year period; and a suggestion to take the monies from the available One-Time Projects fund.

By consensus, the City Council unanimously approved to fully fund the General Fund Liability from One-Time Funds of \$142,700, and pay back Insurance Reserves in Year 3 for the proposed Budget in preparation of the final FY 2015-16 Budget.

Discussion ensued regarding giving Staff direction on the \$250,000 transfer to COR; understanding that this measure is a short term plan; that the City Council can always change their decision on the transfer at a later date.

By consensus, the City Council unanimously approved the \$250,000 transfer to COR for the first three years and gradually increase the transfer every year thereafter for the planning period.

ADJOURN THE SUCCESSOR AGENCY AT 10:03 P.M.

COUNCILMEMBER AB1234 REPORTS, REPORTS FROM CITY-AFFILIATED COMMITTEES, AND COUNCIL REMARKS

Council Member Shanahan had nothing to report.

Council Member Steggell attended the City's Volunteer Recognition ceremony.

Council Member Hwangbo had nothing to report.

Mayor Pro Tem Goedhart attended the Orange County Fire Authority (OCFA) Board of Directors and the City's Volunteer Recognition ceremony.

Mayor Kim attended the Orange County Sanitation District (OCSD) monthly meeting; the City Council Special Labor meeting; a Meet the Mayor luncheon with TCR Industries; and the City's Volunteer Recognition ceremony.

CITY MANAGER REMARKS

City Manager Volmert had nothing to report.

CITY ATTORNEY REMARKS

Assistant City Attorney Molko had nothing to report.

ADJOURNMENT

Mayor Kim adjourned the Regular Meeting of the La Palma City Council at 10:06 p.m.

Peter L. Kim
Mayor

Attest:

Laurie A. Murray, CMC
City Clerk